

**Senate File 218 - Introduced**

SENATE FILE 218

BY ZAUN

**A BILL FOR**

1 An Act relating to the procedures and practices of the  
2 department of revenue by permitting the abatement of  
3 assessed interest under certain conditions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 421.60, subsection 2, paragraph i, Code  
2 2013, is amended to read as follows:

3 *i.* (1) The director may, at any time, abate any unpaid  
4 portion of assessed tax, interest, or penalties ~~which~~ that the  
5 director determines is erroneous, illegal, or excessive.

6 (2) The director may, at any time, abate any unpaid portion  
7 of assessed interest upon a showing of substantial evidence by  
8 the taxpayer of any of the following conditions:

9 (a) The assessment of interest was due to unreasonable delay  
10 by the department.

11 (b) The assessment of interest was due to an erroneous  
12 refund that was not in any way caused by the taxpayer.

13 (c) The assessment of interest was due to applicable,  
14 documented, written advice from the department that was relied  
15 upon by the taxpayer, which advice was provided specifically to  
16 the taxpayer pursuant to a written request from the taxpayer,  
17 and which advice has not been superseded by a court decision,  
18 ruling by a quasi-judicial body, or the adoption, amendment, or  
19 repeal of a statutory provision or rule of law.

20 (d) The assessment of interest was due to applicable,  
21 documented, written advice or position by the department or  
22 another state agency that was reasonably relied upon by the  
23 taxpayer, which advice or position has not been superseded  
24 by a court decision, ruling by a quasi-judicial body, or the  
25 adoption, amendment, or repeal of a statutory provision or rule  
26 of law.

27 (3) The director shall prepare quarterly reports  
28 summarizing each case in which abatement of tax, interest, or  
29 penalties was made. However, the report shall not disclose the  
30 identity of the taxpayer.

31 EXPLANATION

32 This bill relates to the procedures and practices of the  
33 department of revenue by permitting the director of the  
34 department of revenue to abate assessed interest under certain  
35 conditions. Under current law, the director is permitted to

1 abate any unpaid portion of assessed interest that the director  
2 determines is erroneous, illegal, or excessive. The bill  
3 additionally permits the director to abate any unpaid portion  
4 of assessed interest upon a showing of substantial evidence by  
5 the taxpayer that one of the following conditions exists: 1)  
6 the interest assessment was due to unreasonable delay by the  
7 department; 2) the interest assessment was due to an erroneous  
8 refund that was not in any way caused by the taxpayer; or 3)  
9 the taxpayer relied on applicable, documented, written advice  
10 provided by the department to the taxpayer pursuant to a  
11 written request from the taxpayer, or the taxpayer reasonably  
12 relied on other applicable, documented, written advice or  
13 position by the department or another state agency, which  
14 advice in either case has not been superseded by a court  
15 decision, ruling by a quasi-judicial body, or the adoption,  
16 amendment, or repeal of a statutory provision or rule of law.